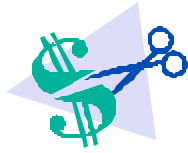


How the State Budget Crisis Affects the City...

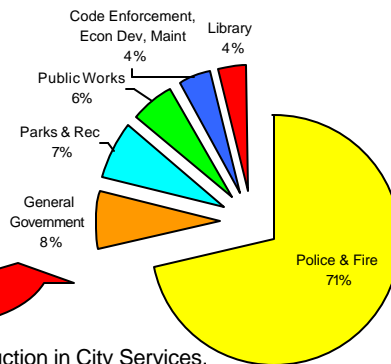


- \$ The State expects a deficit of \$38 billion or more by June 30, 2004.
- \$ The Governor and legislators are proposing various plans to solve the State budget crisis, which could take \$3 million to \$12 million from the City's General Fund revenue.
- \$ The State controls over 50% of the City's General Fund revenue because it determines the City's portion of:
 - ¢ Property Tax
 - ¢ Sales Tax
 - ¢ Vehicle License Fees
- \$ The State may not decide what to cut until September – 1/3rd of the way through the City's fiscal year.
- \$ Loss of General Fund revenue would cause the City's budget to be out of balance.



The City's 2003-2004 balanced budget was adopted on June 3, 2003.

The City's unrestricted General Fund revenue will be used to fund:



State reduction in City revenue will require a reduction in City Services.

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